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Lead Counsel
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July 2, 2015

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-15-20
Capacity Deficiency to be Utilized for Avoided Cost Calculations – Idaho
Power Company's Application

Dear Ms. Jewell:

Enclosed for filing in the above matter please find an original and seven (7)
copies of Idaho Power Company's Application.

Very truly yours,



Donovan E. Walker

DEW:csb
Enclosures

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Attorney for Idaho Power Company

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR)	CASE NO. IPC-E-15-20
APPROVAL OF THE CAPACITY)	
DEFICIENCY TO BE UTILIZED FOR)	APPLICATION
AVOIDED COST CALCULATIONS.)	
)	

Idaho Power Company ("Idaho Power" or "Company"), in accordance with RP 52, the applicable provisions of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), and Idaho Public Utilities Commission ("Commission") Order Nos. 32697, 33084, and 33159, hereby respectfully submits this Application requesting an order for approval of the capacity deficiency period to be utilized for the Company's avoided cost calculations. Idaho Power's 2015 Integrated Resource Plan ("IRP") indicates a first capacity deficit of July 2025, as shown in Table 1 below. Due to the termination of four PURPA solar contracts, Idaho Power asks for Commission approval of the capacity deficiency period shown in Table 2 below, with a first deficit occurring in July 2024. In support of its Application, Idaho Power states as follows:

I. INTRODUCTION

1. In Order No. 32697, the Commission directed that a case be initiated outside of each utility's IRP filing for the establishment of the capacity deficiency period to be utilized in the utility's Surrogate Avoided Resource ("SAR") methodology:

[W]e find it reasonable and fair to subject each utility's determination of capacity deficiency to further scrutiny. Therefore, when a utility submits its Integrated Resource Plan to the Commission, a case shall be initiated to determine the capacity deficiency to be utilized in the SAR Methodology. The capacity deficiency determined through the IRP planning process will be the starting point, and will be presumed to be correct subject to the outcome of the proceeding.

Order No. 32697, p. 23.

2. In Order No. 33159, the Commission found it just and reasonable to utilize the same first capacity deficit determination for purposes of the incremental cost IRP methodology. The Commission stated:

In calculating a QF's ability to contribute to a utility's need for capacity, we find it reasonable for the utilities to only begin payments for capacity at such time that the utility becomes capacity deficient. If a utility is capacity surplus, then capacity is not being avoided by the purchase of QF power. By including a capacity payment only when the utility becomes capacity deficient, the utilities are paying rates that are a more accurate reflection of true avoided cost for the QF power. Order No. 32697 at 21.

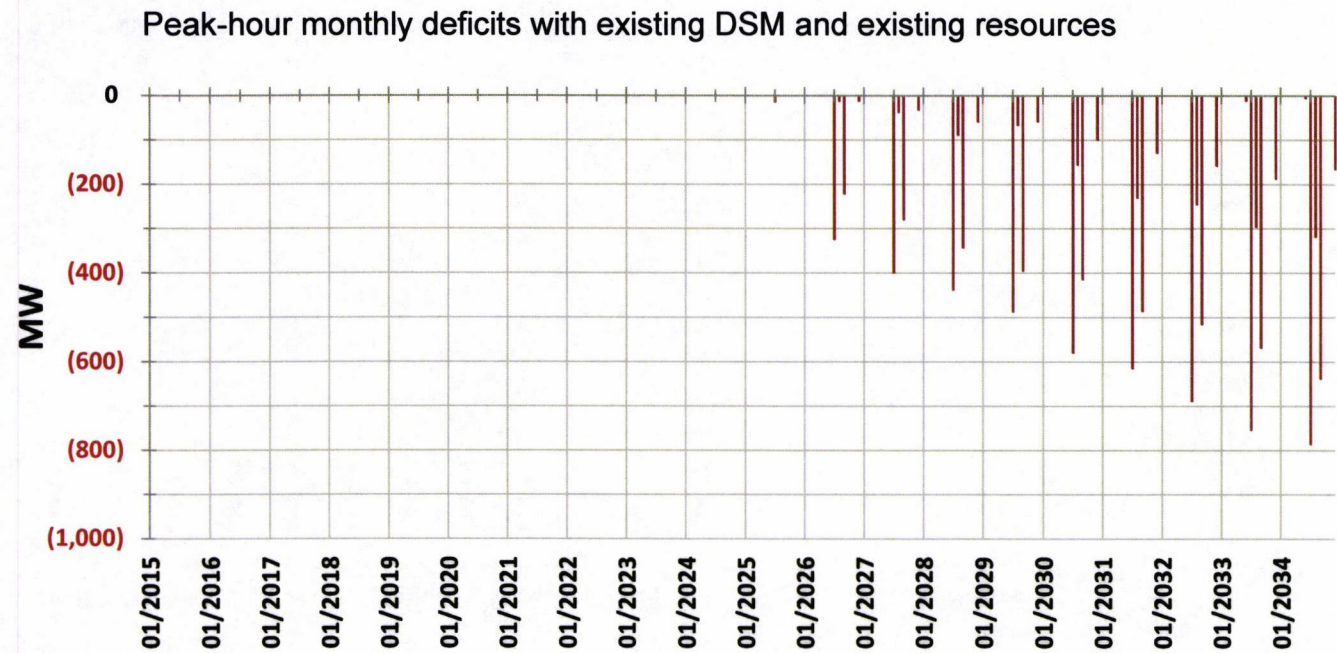
Order No. 33159 at 7.

II. CAPACITY DEFICIENCY PERIOD

3. The Company currently utilizes a first capacity deficit of July 2021, as directed by the Commission in Order Nos. 33084 and 33159. Idaho Power filed its 2015 IRP (Case No. IPC-E-15-19) with the Commission on June 30, 2015. Idaho Power's 2015 IRP identifies the first capacity deficit occurring in July 2025, as shown in Table 1

below. This table also appears on page 70 of the 2015 IRP, Appendix C – Technical Report. As described in the 2015 IRP, peak-hour load deficits are determined using 90th percentile water and 95th percentile peak-hour load conditions. Idaho Power 2015 IRP, p. 93.

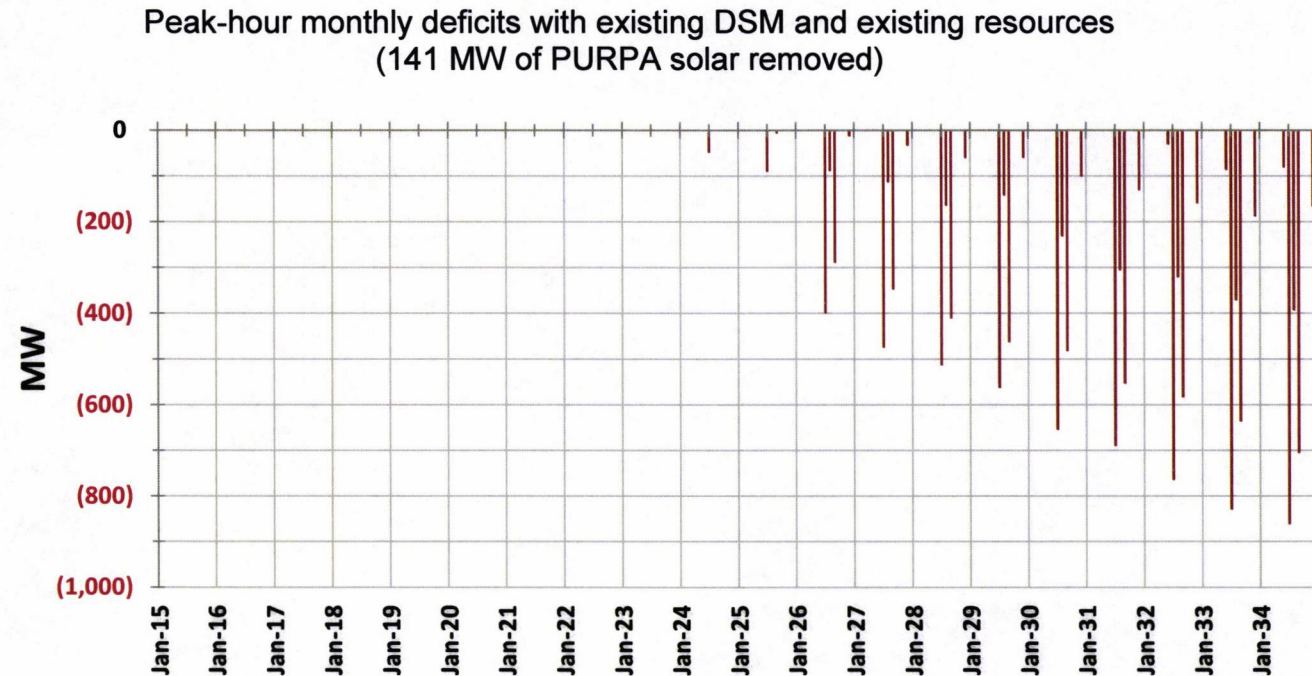
TABLE 1



4. Table 1 shows a first capacity deficiency of 14 megawatts (“MW”) occurring in July 2025. This includes 461 MW of PURPA solar that was under contract when the analysis of Table 1 was completed for the 2015 IRP. Subsequent to the development of Table 1 in the 2015 IRP, four PURPA Energy Sales Agreements (“ESA”) were terminated due to failure of the projects to perform in accordance with certain terms and provisions of the ESAs. See Case No. IPC-E-14-28 (Clark Solar 1, LLC); IPC-E-14-29 (Clark Solar 2, LLC); IPC-E-14-30 (Clark Solar 3, LLC); and IPC-E-14-31 (Clark Solar 4, LLC). The total amount of capacity for these four

terminated ESAs was 141 MW. An updated peak-hour surplus/deficit chart that includes removal of 141 MW of PURPA solar is presented below in Table 2.

TABLE 2



5. Removal of the 141 MW of terminated PURPA solar projects results in a first capacity deficit of 47 MW in July 2024, one year earlier than that shown in Table 1 and the 2015 IRP. See 2015 IRP, Technical Appendix C, p. 119. Idaho Power requests that a first capacity deficit of July 2024 be utilized for avoided cost calculations for both the SAR and IRP methodologies.

III. MODIFIED PROCEDURE

6. Idaho Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201 *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to prepare and present its testimony in such hearing.

IV. COMMUNICATIONS AND SERVICE OF PLEADINGS

7. Communications and service of pleadings with reference to this

Application should be sent to the following:

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V. CONCLUSION

8. Idaho Power respectfully requests that the Commission issue an order approving the capacity deficiency period to be utilized in the Company's avoided cost determinations under the SAR and IRP methodologies as shown in Table 2 above, with a first deficit occurring in July 2024.

Respectfully submitted this 2nd day of July 2015.



DONOVAN E. WALKER
Attorney for Idaho Power Company